

AUDIT COMMITTEE – 27 JULY 2023

PART I – DELEGATED

7. STATEMENT OF ACCOUNTS UPDATE (DoF)

1 Summary

1.1 This report sets out the latest position for external audit of the Statement of Accounts for 2019/20, 2020/21, 2021/22 and 2022/23. It also provides an update on the transition to new external auditors for 2023/24 onwards.

2 Detail

2.1 Statement of Accounts 2019/20

2.1.1 The final statement of accounts was provided to the external auditors, Ernst Young (EY), in April. However, EY were not able to progress reviewing these before moving to NHS audit work in May and June. The Audit Manager and Assistant Audit Manager returned to the Three Rivers 2019/20 audit on 4 July.

2.1.2 In undertaking a review of the values in the final statements, including the restatements of the fixed asset registers for 2017/18, 2018/19, additional samples have been requested. This has included 63 additional samples in relation to transactions relating to the South Oxhey initiative, of which 23 were for transactions prior to 2017/18, 14 samples in relation to the rent to mortgage properties, and a further 25 samples for additions in relation to capital expenditure.

2.1.3 At the time of writing, no further changes to the accounts have been identified as a result of this additional testing.

2.2 Statement of Accounts 2020/21

2.2.1 From the beginning of August, EY will make additional resource available to complete the 2020/21 audit. The majority of the audit work is now expected to be concluded by the end of August with signing of the accounts, or delegation to sign the accounts subject to any final audit changes, to be agreed at the Audit Committee meeting in September.

2.3 Statement of Accounts 2021/22

2.3.1 The draft Statement of Accounts 2021/22 was authorised for issue by the Director of Finance and [published on the Council's website](#) on 31 July 2022 in line with the statutory timeframe. The period of public inspection ran from 1 August to 12 September 2022.

2.3.2 It is anticipated that the audit of the 2021/22 accounts will commence in October 2023. The audit is expected to take four to six weeks.

2.4 Statement of Accounts 2022/23

2.4.1 The draft Statement of Accounts 2022/23 was authorised for issue by the Director of Finance and [published on the Council's website](#) on 31 May 2023 in line with the statutory timeframe. The period of public inspection ran from 1 June to 13 July 2023.

2.4.2 The audit of the 2022/23 accounts will follow on as soon as practicable from the conclusion of the 2021/22 audit. The audit is expected to take four to six weeks. It is still hoped that this can be concluded by the end of March 2024.

2.5 Appointment of External Auditors from 2023/24 to 2027/28

2.5.1 It was reported to the Committee in March that Azets Audit Services have been appointed by Public Sector Audit Appointments Ltd (PSAA) as the auditor for the Council for 2023/24 to 2027/28.

2.5.2 An introductory meeting took place between [Paul Grady](#), Partner at Azets, who will be the Council's Key Audit Partner, and the Director of Finance and Head of Finance on 11 July.

2.5.3 Paul Grady will attend the Audit Committee meeting in September to introduce himself and Azets to members of the Committee and set out the approach to the 2023/24 audit.

2.5.4 Azets will start walkthrough work in December 2023 ahead of year end and a draft audit plan will be presented to the Audit Committee in December or March. It is hoped that it will be possible to conclude the audit of the 2023/24 accounts within the Statutory timeframe of 30 September 2024. However, this timetable is dependent on the completion of prior year audits before July 2024.

3 Policy/Budget Reference and Implications

3.1 The recommendations in this report are within the Council's agreed policy and budgets.

4 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications

4.1 None specific arising from this report.

5 Recommendation

The Audit Committee is recommended to:

- Note the progress and latest timetable for completion of the external audit of the statement of accounts for 2019/20 onwards.

Report prepared by: Hannah Doney, Head of Finance

Data Quality

Data sources: None used in the preparation of the report

Background Papers

Statement of Accounts report to Audit Committee March 2023

APPENDICES / ATTACHMENTS

None